



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 600

FY-07-195

FOR IMMEDIATE RELEASE

FEBRUARY 9, 2007

PSC APPROVES CENTRAL JEFFERSON COUNTY UTILITIES WATER AND SEWER SYSTEM TRANSFER

PSC General Counsel Authorized To Go To Circuit Court To Seek Penalties For Alleged Violations

JEFFERSON CITY—The Missouri Public Service Commission has approved the transfer of the water and sewer system assets of Central Jefferson County Utilities, Inc. to the Jefferson County Public Sewer District. The Commission has also authorized its General Counsel to seek penalties against Central Jefferson County Utilities for alleged violations of Commission rules and regulations in its operation of the water and sewer system.

The Commission approved the transfer stating Central Jefferson County Utilities fails to provide safe and adequate water and sewer service.

“Clearly, Central Jefferson has allowed its water and sewer system to decay, and its owners have expressed a lack of willingness or lack of capacity to bring these systems into compliance with environmental regulations or to expand and improve the system to provide safe and adequate service to its current and future customers,” the Commission said. “Bearing this in mind, the Commission concludes that it is not detrimental to the public interest to approve the transfer of Central Jefferson’s assets and operations to the Sewer District, which has contracted with a competent company, EMC, to operate, maintain and expand current facilities.”

Part of this case involves a “Tri-Party Purchase and Sale Agreement”. Under that agreement, the Jefferson County Public Sewer District will enter into a long-term operation, maintenance and capital improvements agreement with Environmental Management Corporation (EMC).

The agreement calls for EMC to spend up to \$1.8 million on water and sewer system improvements. Those improvements include increased wastewater treatment capacity and water system storage capacity. In addition, the potable water supply capacity will be increased and the lead content in the water reduced to safe levels set by federal and state regulation.

As part of its decision, the Commission has authorized its General Counsel to go to circuit court to seek penalties against Central Jefferson County Utilities for alleged violations of PSC rules and regulations including:

- ✓ Failure to maintain and operate a sewage treatment facility of adequate capacity and properly equipped to treat sewage and discharge effluent;
- ✓ Failure to make reasonable efforts to eliminate or prevent the entry of surface or ground water into its sanitary sewer system; and
- ✓ Failure to provide adequate storage of uncontaminated drinking water, to ensure the safe and adequate provision of water services.

The Missouri Department of Natural Resources has issued Notices of Violation to Central Jefferson Utilities, Inc. in connection with its operations in the Raintree Plantation Subdivision. During proceedings before the Commission, Central Jefferson County Utilities would not concede to the violations charged by DNR, or to numerous complaints raised at a local public hearing, but “it did concede that it has been operating its water system without adequate storage capacity, that it has been operating its sewer system above its design capacity and that it has failed to control ground and surface water entry into its system”.

Central Jefferson Utilities, Inc. provides water and sewer service to approximately 680 customers in the Raintree Plantation Subdivision in Jefferson County near Hillsboro, Missouri.